

CITY OF PORTERVILLE

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June 24, 1978

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Municipal budgets -- " -- Porterville
Porterville -- Approps. + expend.*

TO: The Honorable Mayor and the
Members of the City Council

FROM: C. G. Huffaker, City Manager *CGH*

SUBJECT: Alternatives to the Fiscal Year 1978-79
Preliminary Budget.

On July 1, 1978, Proposition 13 will become effective as a Constitutional Amendment. There has been a tremendous amount of rhetoric, pro and con, and the debates continue as to the intent of the electorate. Nevertheless, it is incumbent upon the City to develop a plan to provide the most responsible and efficient service to the citizens of the City of Porterville.

In order to comply with the mandate of the people, the City Council is confronted with the monumental task of maintaining an acceptable level of service in view of severe financial constraints.

We have stated in the past, the loss in revenue as a result of the passage of Proposition 13, to the City is approximately \$500,000 annually assuming the City received its pro rata share of the 1% property tax. On Friday, June 23, 1978, the Legislature enacted legislation implementing the provisions of Proposition 13. According to the League of California Cities, cities will receive a pro rata share of the 1% property tax limitation based upon a 3-year average. The legislature also allocated to the cities within California \$250,000,000 of the State's surplus for one year. The League indicated there are strings attached. Those requirements are:

1. No salary increases be given greater than those increases given the State.
2. No reduction in Police and Fire services. We have been advised that this does not mean that cities cannot lay off Public Safety employees, nor consolidate functions and responsibilities. As one can see, this is going to be subject to a substantial amount of interpretation.

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3. In order to qualify, the cities must first spend 1/3 of funds in excess of 5% of the operating budget surplus.

It is felt that this provision is the most difficult to equate to the City of Porterville's financial situation at this time. We will need more time to evaluate the effect of the legislation before we make a recommendation to the Council. In essence, to date, we do not know how much money we will receive as a result of the legislator's actions.

According to the League, the cities in California will receive between 55% to 60% of the monies they would have received prior to the passage of Proposition 13.

The financial dilemma in which we find ourselves, could not have come at a more inopportune period in the City's history.

At the present time the City of Porterville has 413 acres in various stages of development, which equates to 7.71 percent of the total area of the City. In more common terms, 158 new single family dwellings, and 176 new apartment units, are at this moment in various stages of construction. Construction permits can be obtained at anytime on 636 new lots of record from recently processed final subdivision maps, and tentative subdivision maps now being processed will soon yield an additional 1,242 lots of record. This could increase our population approximately 5,634 within 2 years.

Under the circumstances, and in a very logistical sense, not increasing employee and operational costs in proportion to the current rate of growth constitutes a cost savings in itself. In other words, you can't:

- Read more water meters with fewer meter readers.
- Inspect more structures with fewer building inspectors.
- Collect more refuse with fewer refuse collectors.
- Adinfinitem.

As it becomes necessary to distinguish an interface between essential and non-essential services, it also becomes very apparent that most of their interrelationships form a common bond, i.e., the engineer designing for waterline alignments and capacity is just as vital as the firefighter who depends on the line to protect others, and the employees who process grant-in-aide applications are as essential as those who provide public services through the revenues obtained.

Consequently, the initial recommendations pertain mainly to consolidation and reassignment measures, keeping flexibility and diversification in mind. Subsequent proposals of a similar nature

may be submitted from time to time as the opportunities for adjustment and reassignment arise. The following proposals were inspired through normal attrition, and in the future other opportunities for considering organizational restructuring may surface.

Reassignment of Fire Prevention Responsibilities

During the month of July, 1978, an opening will exist in the position of Fire Marshal for reasons of retirement. It is recommended that the position of Fire Marshal be carried on the Fire Department's table of Organization by title only; that funds not be allocated to hire a replacement unless authorized by the City Council at some future date, and that the duties and responsibilities of the position be incorporated with those of the position of Assistant Fire Chief.

The duties and responsibilities of the position of Fire Marshal, by definition, are: "under direction of the Fire Chief, directs and administers the Fire Prevention Bureau, schedules inspections, reviews fire prevention forms and procedures, makes suggestions for revision and improvement, and trains and supervises Fire Prevention Inspectors."

The duties and responsibilities of the position of Assistant Fire Chief, by definition, are: "under direction of the Fire Chief, performs supervisory, command and administrative functions of the department, and acts as Fire Chief in his absence."

It is estimated that this proposal would generate a total cost savings of approximately \$19,732.00, which includes salaries, benefits, and uniform allowance. It is extremely important that the Fire Prevention function be coordinated with Fire Suppression as well as the Public Works Division of Building Inspection. Through coordination and cooperation, it is felt no appreciable loss in effectiveness is anticipated. We will monitor this program closely because it is an important link in maintaining the City's Class IV rating.

Reassignment of Administrative Responsibilities

During the month of July, 1978, an opening will exist in the position of Deputy City Clerk. It is recommended that the position of Deputy City Clerk be carried on Administrator's Table of Organization by title only, that funds not be allocated to hire a replacement and that the duties and responsibilities of the position be reassigned to the City Manager for delegation within his department.

By definition, the Deputy City Clerk performs "Subject to the City Council's determination of policy and legal requirements, directs the maintenance of official City records, directs the conduct of City Elections, and does related work as required by the City Manager."


It is estimated that this proposal would generate a total cost savings of approximately \$13,273.00, which includes salaries and benefits. Other than the certainty of the cost savings, the adequacy of the proposal rests on hopeful speculation, but can fortunately be reconsidered if the experience of endurance so dictates.

Assignment of Grantsmanship Coordination

The coordination and timeliness of applying for and obtaining grant funds is an important asset to a successful capital improvement program. During times when the dependability and regularity of traditional revenue sources are threatened, or in this case curtailed, grant funds may be the only capital improvement revenues some agencies can hope to receive, and application competitiveness takes on new importance.

At present, grant applications are departmentalized to functions relating to service responsibilities, a rather common and rational happenstance in normal times. During this crucial period and until further notice, we are proposing to coordinate the grantsmanship talents of our human resources within various departments under the direction of the Deputy City Manager. This is a task force approach that can concentrate the full weight of our ability on those applications having priority benefits. Task force assignments are temporary and the employees involved may vary from time to time depending on the nature of the grants applied for and the contributing expertise of employees.

Competition for grant funds will be immense, and we should attempt to focus our efforts as expeditiously as possible. This proposal does not require Council action to implement, it will not save operating costs--nor will it increase same, but the benefits could prove to be of significant value.



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ALTERNATIVES TO THE FISCAL YEAR 1978-79 PRELIMINARY BUDGET

As previously indicated to the City Council, in order to balance the Preliminary Budget as submitted, \$330,000 would have to be cut from the budget, or revenues increased by that amount, before proceeding to the staff's alternatives and recommendations. As a result of the action taken by the State Legislature, we are not certain as to its financial effects on the City's budget, therefore the recommendations are still based upon the \$330,000 figure. It is important to point out that in the past years, the City of Porterville has been operating in a fiscally sound manner and at this time of revenue loss and limitation, the integrity of the budget must be maintained. We must address ourselves to a long range plan as well as trying to solve the immediate problem.

One alternative would be to transfer \$330,000 from the proposed Capital Improvement Program to the operating budget. The advantage to this proposal is that it would not necessitate a reduction in force or loss in City services. However, the disadvantage is that we would postpone the inevitable by one year and essential Capital Improvement programs would have to be delayed to a later date and because of inflation would be more costly when constructed.

The second alternative that we would like to propose is a reduction in the proposed preliminary budget.

CITY COUNCIL - TOTAL REDUCTIONS - \$2,519

18	Professional Services	\$1,434
19	Travel and Meeting expense	\$ 485
60	Office equipment	\$ 600

EFFECT: The major share of this reduction in the proposed budget is a result of a decrease in dues requested by the Tulare County Association of Governments. In addition, the window covering in the Council Chambers will not be accomplished.

CITY MANAGER - TOTAL REDUCTIONS - \$940

11	Automotive maintenance	\$200
14	Publications and dues	\$240
19	Travel and Meeting expense	\$500

EFFECT: Minimal

PERSONNEL DEPARTMENT - TOTAL REDUCTIONS - 22,210

10	Advertising	\$2,560
18	Professional Services	16,000
23	Training and Meeting	3,000
	Capital Outlay	750

EFFECT: As a result of the anticipated lay offs, it is felt that recruitment and physical examinations will be reduced. The reduction in the Professional Services Account also reflects the elimination of the Classification Study in the amount of \$12,000. It is felt the City is in dire need of this study, as it serves as the backbone of the Personnel Program. Additionally, the substantial cut in the training account will have a profound effect on needed employee training and education.

COMMUNITY PROMOTION - TOTAL REDUCTIONS - \$7,625

18	Professional Services	\$6,000
19	Travel and Meeting Expenses	1,000
20	Utilities	125
33	Special Departmental Expenses	500

EFFECT: The significant item in this budget is that it recommended the allocation normally given to the Porterville Chamber of Commerce be eliminated and Travel and Meeting Expenses which is primarily used for economic development is reduced.

FINANCE - ACCOUNTING - TOTAL REDUCTIONS - \$1,295

14	Publications and dues	\$ 80
19	Travel & Meeting	325
60	Office Equipment	890

EFFECT: Minimal

ADMINISTRATIVE SERVICES - TOTAL REDUCTIONS - \$12,044

01 & 06	Salaries and Benefits	\$12,044
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EFFECT: Deletion of the position of Machine & Equipment Maintenance Operator. This action would eliminate the efficiency created by the centralized duplicating process. It will require each department to handle its own reproduction which will impair substantially departmental efficiency.

CITY CLERK - TOTAL REDUCTIONS - \$12,990

01 & 06	Salaries and Benefits	\$12,940
19	Travel and meeting	\$ 250
18	Professional services	+\$ 1,000
60	Office Equipment	\$ 800

EFFECT: Explained earlier in the report.

CITY ATTORNEY - TOTAL REDUCTIONS - \$4,176

18	Professional services	\$2,000
19	Travel & Meeting expenses	\$ 526
	Capital Outlay	\$1,650

EFFECT: Reduces the amount of professional legal service and the City's law library.

PLANNING AND ZONING - TOTAL REDUCTIONS - \$3,421

18	Professional services	\$1,421
19	Travel & Meeting expense	\$2,000

EFFECT: With the reduction of \$1,420 in professional services for the Tulare County Association of Governments to the City's Housing element update, it is felt by TCAG that the study can be accomplished under a State grant. The travel and meeting expenses, \$2,000 reduction, will preclude Planning Commissioners attending professional meetings and conferences, which is extremely beneficial.

POLICE PROTECTION - TOTAL REDUCTIONS - \$43,295

01 & 06	Salaries and Benefits	\$34,766
11	Automotive Maintenance	6,000
14	Publications and dues	\$ 300
19	Travel and Meeting expense	\$ 200
60	Office equipment	\$ 2,029

EFFECT: In an effort to comply with the budget reduction necessitated by Proposition 13, the Police Department Supervisors and Chief have concurred that the only way that the Police Department Budget can be reduced is through a reduction in personnel. They feel that the Maintenance and Operating Budget, and Capital Outlay Budgets are already at a minimum level.

It was felt that reduction of three officers would not reduce the Police Department's ability to perform their essential functions. If the proposed plan of paying

officers for holidays instead of giving them additional vacation time is adopted, the City would only be losing the equivalent of one uniformed officer. One officer now works approximately forty-seven weeks per year while our uniformed personnel currently receive the equivalent of forty-six weeks off per year, in lieu of holiday pay, for working holidays.

One of the three positions scheduled for elimination is that of detective. This will not affect the Police Department adversely as we have had a detective assigned to the Tulare County Sheriff's Narcotics Task Force and the Detective-Sergeant has carried only a small case load while the Felony Car Team was being integrated into the Police Department's Detective Division. After the proposed reduction, the Detective-Sergeant will carry a greater case load and we will encourage all Patrol Officers to be as productive as possible.

In the last three years, the Police Department has increased its size by five officers through Grants. In October 1975, three officers were hired on a Federal Grant and in October 1976, two officers were hired on a Traffic Grant from the State of California.

FIRE ADMINISTRATION - TOTAL REDUCTIONS - \$750

60	Office Equipment	\$750
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EFFECT: No reduction in Service.

FIRE PREVENTION - TOTAL REDUCTIONS - \$19,732

01 & 06	Salaries & Benefits	\$19,607
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22	Uniform Allowance	\$ 125
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EFFECT: Elimination of the position of Fire Marshal as previously discussed.

PUBLIC WORKS ADMINISTRATION - TOTAL REDUCTIONS - \$500

19	Travel and meeting expenses	\$500
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EFFECT: Undetermined.

PUBLIC WORKS ENGINEERING - TOTAL REDUCTIONS - \$19,872

01 & 06 Salaries & Benefits	\$18,772
19 Travel and meeting expense	\$ 500
60 Office equipment	\$ 600

EFFECT: Elimination of the Engineering Aide position (vacant) will seriously impact on the engineering division's ability to continue field survey, map updating, processing capital improvements, subdivisions and performing special studies. Additionally, we have eliminated the Building Inspector position that was included in the preliminary budget and will continue with the present contractual arrangement that we have with the private building inspector. We will have to evaluate this program in mid-year.

PUBLIC WORKS TRAFFIC CONTROL - TOTAL REDUCTIONS - \$3,000

32 Maintenance and repair materials	\$3,000
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EFFECT: Unless something unexpected occurs, we feel the effect of this reduction is minimal.

PARKS AND LEISURE SERVICES PARK MAINTENANCE AND OPERATION -
TOTAL REDUCTIONS - \$27,771

01 & 06 Salaries & Benefits	\$33,791
18 Professional Services	+ \$ 6,320
19 Travel and meeting expense	\$ 300

EFFECT: Eliminates 3 Park Maintenance Persons I. With the elimination of 3 positions from the Parks and Maintenance budget, our schedule of parks, medians and ball fields will be reduced from the present level to a less frequent level of care. However, by contracting with a private firm for the Airport, Orange Street Park and Weed Abatement, the impact of the loss of personnel will be lessened. We have placed \$6,320 in the Professional Services for this purpose. It is also recommended that the \$3,000 for pigeon control be eliminated. It should be pointed out to the Council, that when we lay off a regular maintenance person, we will also lose all of our CETA maintenance people in accordance with Federal Law.

PARKS AND LEISURE SERVICES STREET TREE AND PARKWAY MAINTENANCE
TOTAL REDUCTIONS - \$12,908

01 & 06 Salaries & Benefits	\$12,908
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EFFECT: This transfers one Maintenance Person I from this division to the Parks Division. This will greatly diminish the ability of the division to maintain the street trees in an orderly manner. The only tree work to be performed will be to eliminate hazardous conditions, including falling limbs, dead or diseased trees, trees obstructing vision at intersections, trees that are crossing onto utility lines, etc. The residents will be required to maintain their own trees.

LEISURE SERVICES - TOTAL REDUCTIONS - \$25,764

01 & 06 Salaries & Benefits	\$18,539
10 Advertising	\$ 1,800
18 Professional Services	\$ 600
23 Travel and meeting expense	\$ 2,400
33 Special departmental expense	\$ 1,700
60 Office equipment	\$ 725

EFFECT: These reductions will necessitate all adult athletics to operate independently from the City except for the facilities, maintenance and utilities. The City will be reimbursed for the cost of the maintenance, utilities and administrative services. The adult programs will be totally self-sufficient. The following youth programs are proposed to be dropped:

Playground program	\$5,262
Turkey Trot	\$ 150
Track	\$1,100
Arts and Crafts	\$ 551
Open Gym	\$ 264

In addition, we are recommending fee increases in all programs. These proposed increases will be submitted to the Council subsequently. If they are approved, all programs put on by the Leisure Services division, with the exception of the Senior Citizens Thursday Night Dances will be self-supporting.

In the Capital Improvement Budget, it is recommended that the City not construct the Multi-Purpose Building at Zalud Park. \$114,000 was budgeted which comprises the City's share of the \$278,000 budget. The reason for the recommendation is that it would cost approximately \$30,000 annually to maintain and staff the building. We have been advised that there is speculation that this will not be uncommon statewide, due to the re-occurring costs.

SWIMMING POOL - TOTAL REDUCTIONS - \$15,940

01 & 06 Salaries & Benefits	\$ 9,100
10 Advertising	\$ 250
20 Utilities	\$ 4,440
33 Special Departmental Expense	\$ 2,150

EFFECT: Proposed reduction would equate to a change in recreation swimming hours from 2 p.m. to 4 p.m. on weekdays and 1 p.m. to 4 p.m. on weekends. Presently the hours are from 2 p.m. to 7 p.m. on weekdays, 10 a.m. to 7 p.m. on Saturdays, and 1 p.m. to 5 p.m. on Sundays. It is proposed that Lap Swim, Family Swim and Noon Swim be eliminated. In addition, it is recommended that the City discontinue its policy of paying the swim team coaches and this cost be assumed by the Swim Team Boosters Club. This matter has been discussed with the Boosters Club.

It is proposed that the Swimming Pool remain open until September 4, and monies not be budgeted for next year. However, during the fall, we will meet with representatives from the school districts in an effort to determine which pool or pools will be open next year.

GOLF COURSE - TOTAL REDUCTIONS - \$6,750

01 & 06 Salaries & Benefits	\$3,700
11 Automotive maintenance	\$2,800
19 Travel and meeting expense	\$ 250

EFFECT: It is estimated that the reductions will have a minimal effect on the maintenance operation at the Golf Course, however, it will delay projects to be completed such as moving of tees, construction of new sandtraps and enlargement and repair of tees.

We have re-estimated the revenues as a result of the increases that will go into effect July 1. We will receive \$57,200 during the fiscal year. This will leave an estimated deficit of \$5,621. However, the water used to irrigate the Golf Course is not included in the deficit. It is expected to have water meters installed during the fiscal year so we can better determine the cost of operating the Golf Course. It should be noted that we are pursuing alternate methods in providing golf services to the community.

ZALUD HOUSE - TOTAL REDUCTIONS - \$.00

We have received a request that is not included in the proposed budget, from the Zalud House Guild & Assistance League. They have asked for an additional \$2,800 which would be used to install electrical and plumbing outlets and re-do the concrete floor and have a kitchenette for storage space for their food. They have indicated that if this is accomplished by the City they will provide the necessary appliances. In addition, they have indicated that the monies received from the programs will go to the Zalud House for improvement.

LIBRARY - TOTAL REDUCTIONS - \$36,713

01 & 06	Salaries & Benefits	\$17,262
19	Travel & meeting expense	500
20	Utilities	\$ 7,000
29	Book Binding	\$ 500
30	Office Supplies	\$ 400
33	Special Departmental Expense	\$ 915
60	Office Equipment	\$ 136
65	Books	\$10,000

EFFECT: This alternative would necessitate laying off 2 Library Assistants. It is important to point out that no decision has been made by the Library Board, nor the City Manager, regarding changing the hours of the Library, specifically, closing on Saturday. There is no doubt that this proposed budget cut will effect the services provided to the Library Patrons. However, every effort will be made to provide acceptable levels of service and most important keep the doors open.

The budget reduction will necessitate moving the fiction books downstairs and for all practical purposes, the upstairs would be closed with the exception of the restroom facility and the Community Room. We will investigate the possibility of charging a fee for using the Community Room.

CITY COUNCIL CONTINGENCY - TOTAL REDUCTION - \$50,000

EFFECT: If any interim budgetary transfers are needed, throughout the fiscal year, it would necessitate a transfer from the unappropriated reserve.

I would like to point out that we have been advised by the County of Tulare, that they will be instituting a user fee on county dumps. It appears, at this point, that the City's cost will be approximately \$90,000. We will be discussing this matter with the Council within the very near future.

The total reductions contained in the foregoing, amount to \$330,215. The effects on personnel layoffs are as follows:

3	-	Maintenance Persons I
2	-	Library Assistants
2	-	Police Officers
<u>1</u>	-	Machine and Equipment Maintenance Operator
8		

Vacancies not to be filled:

1	-	Police Officer
1	-	Fire Marshal
1	-	Deputy City Clerk
1	-	Engineering Aide
<u>1</u>	-	Building Inspector
5		

In order to comply with the Charter requirement that a budget be adopted prior to July 1, it is recommended the alternative contained herein, be adopted with the exception of those positions earmarked to be laid off and that no action be taken as relates to these positions until October 1, 1978. By that time we will have had an opportunity to thoroughly review the action taken by the legislature. In addition it is recommended that additional study sessions be scheduled next week in order that the staff may submit recommendations regarding increased user fees and charges.

To close on a positive note, it is possible that with the action taken by the legislature and alternate methods of financing, some of the budget cuts contained in the foregoing can be re-budgeted.

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